

WILLIAM IRBY
DIRECTOR

BOX 1197
RICHMOND, VA 23218
TELEPHONE: (804) 371-9420
FAX: (804) 371-9069



KATHLEEN A. CUMMINGS
DEPUTY DIRECTOR

STEVEN C. BRADLEY
DEPUTY DIRECTOR

STATE CORPORATION COMMISSION
DIVISION OF COMMUNICATIONS

January 30, 2001

Magalie R. Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

RE: CC Docket No. 00-199 - Virginia State Corporation Commission Staff
Reply Comments in the Matter of 2000 Biennial Regulatory Review – Comprehensive Review of
Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers:
Phase 2.

Dear Ms. Salas:

The Division of Communications of the Virginia State Corporation Commission Staff ("VSCC Staff") respectfully submits these reply comments in response to the Federal Communications Commission's Notice of Proposed Rulemaking ("NPRM") FCC 00-364 that was adopted October 12, 2000, and released October 18, 2000.

The VSCC Staff generally supports the comments of the National Association of Regulatory Commissioners and many of the comments filed by other State Commissions. We share their concerns for a standard system of accounts and standardized reporting requirements needed in the face of continued regulatory requirements such as unbundled network element pricing and universal service considerations.

The Virginia SCC has adopted a price indexing form of regulation for the major Virginia telephone companies. As such, we no longer determine customer rates using the traditional rate base, rate of return methodology, and no longer routinely prescribe depreciation rates. Nonetheless, the need for detailed historical accounting records to enable a review of depreciation rates was made abundantly clear in a recent UNE pricing proceeding in Virginia.

The VSCC Staff is also opposed to eliminating the Uniform System of Accounts, reducing reporting requirements for mid-sized companies, and full deregulation of incumbent local exchange carriers in the absence of meaningful competition. The existing reporting requirements yield data that is used to determine costs, develop rates and taxes, and to analyze results and trends.

We applaud the FCC in its attempt to eliminate unnecessary rules and streamline filing requirements where appropriate. However, the VSCC Staff urges the Commission to use care in further reducing reporting obligations.

Pursuant to FCC comment filing procedures, we are filing these reply comments via the FCC ECFS.

Very truly yours,

William Irby

WI/CH:ajp